

Measure 1b. Days Cash:

Cash divided by (Total Expenses / 365)

The days cash on hand ratio indicates how many days a school can pay its expenses without another inflow of cash. The preferred result is more than 60 days cash.

School Response To Rating:(Max 1100 Characters)

Measure 1c. Enrollment Variance:

Actual Enrollment as of September 30 divided by Authorized Enrollment

The enrollment variance depicts actual versus authorized enrollment. A school budgets based on projected enrollment but is funded based on actual enrollment; therefore , a school that fails to meet its enrollment targets may not be able to meet its budgeted expenses. The preferred result is more than 95%.

School Response To Rating:(Max 1100 Characters)

Measure 1d. Default, Loan Covenants, & Debt Service Payments

2016-2017	2017-2018	2018-2019	2019-2020
No	No	No	No

This metric addresses whether or not a school is meeting its loan covenants and / or is delinquent with its debt service payment, as noted in the notes accompanying the audited financial statements. A school which cannot meet the terms of its loan may be in financial distress.

School Response To Rating:(Max 1100 Characters)

2. SUSTAINABILITY INDICATORS

Measure 2a. Total Margin:

Net Income divided by Total Revenue

2016-2017	2017-2018	2018-2019	2019-2020
1 YR: -3.84%	1 YR: -7.28%	1 YR: 1.43%	1 YR: 9.52%
3 YR: -0.17%	3 YR: -4.01%	3 YR: -3.09%	3 YR: 1.68%

Total margin measures the deficit or surplus a school yields out of its total revenues ; in other words, whether or not the school is living within its available resources. The preferred result is a positive margin for the past year and the past 3 years.

School Response To Rating:(Max 1100 Characters)

Measure 2b. Debt to Asset Ratio:

Total Liabilities divided by Total Assets

2016-2017	2017-2018	2018-2019	2019-2020
0.96	1	0.99	0.93

The debt to asset ratio compares the school's liabilities to its assets, or what a school owes against what it owns. The preferred result is less than 0.90.

School Response To Rating:(Max 1100 Characters)

Measure 2c. Cash Flow

2016-2017	2017-2018	2018-2019	2019-2020
1 YR: \$-167887	1 YR: \$-162640	1 YR: \$93344	1 YR: \$398542
3 YR: \$-489675	3 YR: \$-330527	3 YR: \$-69296	3 YR: \$491886

Cash flow indicates the trend in the school’s cash balance over a period of time. This measure is similar to days cash on hand, but indicates long-term stability versus near-term. Since cash flow fluctuations from year-to-year can have a long-term impact on a school’s financial health, this metric assesses both three-year cumulative cash flow and annual cash flow. The preferred result is greater than zero.

School Response To Rating:(Max 1100 Characters)

Measure 2d. Debt Service Coverage Ratio:

$$(Net\ Income + Depreciation + Interest\ Expense) / (Principal\ and\ Interest\ Payments)$$

2016-2017	2017-2018	2018-2019	2019-2020
0.94	0.57	1.27	1.84

The debt service coverage ratio indicates a school’s ability to cover its debt obligations in the current year.

School Response To Rating:(Max 1100 Characters)

3. FINANCIAL MANAGEMENT AND OVERSIGHT

2016-2017	2017-2018	2018-2019	2019-2020
M	M	M	M

This measures assesses the timeliness of reporting , the implementation of the Citizen Budget Oversight Committee, and the adherence to the policies and procedures of the First State Financial Management System.

School Response To Rating:(Max 1100 Characters)

SUMMARY AND OVERALL RATING

Providence Creek Academy

Year	1a	1b	1c	1d	2a	2b	2c	2d	3	Overall Rating
2016-2017	M	M	M	M	AS	AS	F	AS	M	Approaching Standard
2017-2018	M	M	M	M	F	AS	F	AS	M	Approaching Standard
2018-2019	M	M	M	M	F	AS	F	M	M	Meets Standard
2019-2020	M	M	M	M	M	AS	M	M	M	Meets Standard